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Beatrice FMGP  
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October 10, 2005

Ms. Barbara L. Peterson  
Assistant Regional Counsel  
United States Environmental  
Protection Agency  
Region VII  
901 North 5<sup>th</sup> Street  
Kansas City, KS 66101

40254087



SUPERFUND RECORDS

RE: Beatrice Former Manufactured Gas Plant ("FMGP") Site  
Beatrice, Nebraska

Dear Barb:

I'm writing to update you and perhaps forewarn you just a bit.

I am enclosing copies of lawsuits which have been initiated in Gage County District Court. In fairness, I thought that you should be provided with these materials.

Please also know that City officials are meeting with Centel officials in Nebraska City on October 11<sup>th</sup> to review options and attempt to make progress with regard to your request for a stipulated agreement.

You can obviously appreciate a problem which I face. Firstly, the question of financial responsibility, to the extent it flows to the City, will in my view, flow through to our contractor and perhaps their carrier. I cannot represent nor can I impair the interests of parties that I do not represent.

Secondarily, we believe that the City was indeed defrauded by Peoples with regard to the transaction. The basis of this belief is unimportant at this point in time. Suffice it to say, we would not be making the claim if we did not think it a valid one.

Ms. Barbara L. Peterson  
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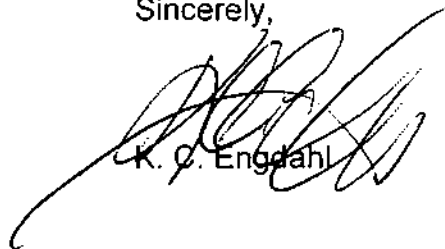
If the lawsuit is successfully prosecuted, the City would be removed from the chain of title and Aquila would be restored as the owner of the property and thus, would be the responsible party owner.

All these matters will be discussed with Centel on the 11<sup>th</sup>.

My life is currently complicated by the fact that I have a relatively lengthy trip to the State of Colorado coming up, commencing October 12 (travel day) and ending on the 19<sup>th</sup> to return on the 20<sup>th</sup>. I will, as such, be out of communication. (I am to be at some high-altitude, remote location, where I will no doubt be very cold, and beyond the reach of cell phones, with any luck.)

I simply did not want you to think or conclude that I was ignoring you or perhaps being rude if I am out of touch and non-responsive for a period of time. We can discuss the matter in more detail at your convenience.

Sincerely,



K. C. Engdahl

KCE:bg  
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